

figure. That overall figure is a statewide figure on a state rate of 5 percent and it would vary from city to city and, again, it would relate to the gross sales.

SENATOR WESELY: Did you...

SENATOR HALL: There clearly would...sales tax would clearly be applicable in this case if there was a local sales tax and I guess you could argue that that's a windfall to the cities.

SENATOR WESELY: Well, if the goal is to generate this increased revenue to the state to then reimburse the local subdivisions, had you considered in the drafting of this that the sales tax change not apply to the city sales taxes? I mean, isn't there a simple way to put some language in that would have it only apply to the sales tax applied by the state?

SENATOR HALL: Oh, I don't know if it's that simple, but I don't know that it's a policy decision on whether or not you want to limit the sales tax base for the local entities, the cities. I clearly, the fact that they were lobbying against that specific issue because some of them happened to be municipally owned, it would be a good reason to offer an amendment to that effect, but I didn't feel like being punitive, I guess.

SENATOR WESELY: Okay. Well, it's just a concern that maybe there is a factor here that may have an impact we may not want, but I don't have any language to deal with this so I don't know, other than to raise the issue and so I'll leave it at that.

SENATOR HALL: And I will, between now and the time that we readdress this issue I'll try and find out what the fiscal impact would be in terms of what, if we can, what kind of revenue that may raise at the local level.

SENATOR WESELY: So if we advance it in this form and we find that there may be a substantial amount of money inadvertently raised in this fashion, we'll at least have a chance to look at it again?

SENATOR HALL: Yes.

SENATOR WESELY: Okay, thank you. Appreciate it.

SPEAKER BAACK: Thank you, Senator Wesely. Senator Lynch.